

# Honduras

## The Challenge

USAID's program in Honduras aims to increase economic growth by taking advantage of the benefits of regional and international trade in order to reduce poverty. Honduras faces a series of complex challenges including a lack of capacity to implement the Central America and Dominican Republic Free Trade Agreement (CAFTA-DR); a weak judicial system and widespread corruption; and the inability to deliver social services to all its citizens. To this end, USAID is working to support civil legal reform and strengthen civil society to combat corruption and promote human rights. Programs also aim to help the Government of Honduras (GOH) decentralize and build capacity to implement CAFTA-DR efficiently, assist small farmers and entrepreneurs grow and diversify their production, combat environmental degradation and unsustainable use of natural resources, improve the quality of basic education, help the GOH to better deliver health services, and increase food security to vulnerable communities.

## Objectives, Sectors and Workforce

**Mission Director: Paul Tuebner**

MCA Status: Signed Compact

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Both

Program Budget (Appropriations by Objective)		FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score		Direct SO Admin. Cost Ratio
522-021 Ruling Justly		5,640	4,622	1,980	2,448	-56.6%	2.00	Exceeded	0.39
522-022 Economic Freedom		11,357	9,799	4,964	3,014	-73.5%	1.12	Exceeded	0.21
522-023 Investing in People		19,577	20,127	25,020	19,998	2.2%	0.92	Met	0.17
PL 480 Title II		7,450	13,538	10,385	16,000	114.8%			
<b>Country Total</b>		<b>44,024</b>	<b>48,086</b>	<b>42,349</b>	<b>41,460</b>	<b>-5.8%</b>			

Program Budget (Appropriations by Account)		FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund		12,777	13,192	13,140	12,170	-4.8%
Development Assistance		22,797	20,856	18,824	13,290	-41.7%
Global HIV/AIDS Initiative		1,000	500	0	0	N/A
PL 480 Title II		7,450	13,538	10,385	16,000	114.8%
<b>Total</b>		<b>44,024</b>	<b>48,086</b>	<b>42,349</b>	<b>41,460</b>	<b>-5.8%</b>

Program Budget by Sector and Account		FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Basic Education	DA	5,800	6,435	11,880	7,828	35.0%
Agriculture and Environment	DA	7,969	6,479	1,004	2,014	-74.7%
Economic Growth	DA	3,388	3,320	3,960	1,000	-70.5%
Democracy and Governance	DA	5,640	3,952	1,980	2,448	-56.6%
Conflict Management / Humanitarian Assistance	DA	0	670	0	0	N/A
Family Planning / Reproductive Health	CSH	4,750	4,158	4,112	3,246	-31.7%
HIV / AIDS	CSH	4,200	5,158	5,156	5,136	22.3%
	GHAI	1,000	500	0	0	N/A
Child Survival and Maternal Health	CSH	3,142	3,143	3,377	3,288	4.6%
Other Infectious Diseases	CSH	685	733	495	500	-27.0%
PL 480 Title II		7,450	13,538	10,385	16,000	114.8%
<b>Total</b>		<b>44,024</b>	<b>48,086</b>	<b>42,349</b>	<b>41,460</b>	<b>-5.8%</b>

Workforce		FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires		11	11	15	15	36.4%
US Non Direct Hires		8	8	7	7	-12.5%
Foreign Nationals		80	81	81	81	1.3%
<b>Total</b>		<b>99</b>	<b>100</b>	<b>103</b>	<b>103</b>	<b>4.0%</b>

<b>Operating Expense</b>	<b>FY 2004 (\$000)</b>	<b>FY 2005 (\$000)</b>	<b>FY 2006 (\$000)</b>	<b>FY 2007 (\$000)</b>	<b>Percent Change FY 04-07</b>
Salaries and benefits	1,804	1,668	1,495	1,489	-17.5%
Travel	231	163	91	91	-60.6%
Transportation of things	48	40	7	7	-85.4%
Rent	554	504	527	527	-4.9%
Security	137	105	118	118	-13.9%
Equipment	350	176	0	13	-96.3%
ICASS - Operating Expense only	165	157	158	148	-10.3%
Other Operating Expense	374	565	387	390	4.3%
<b>Total OE Budget</b>	<b>3,663</b>	<b>3,378</b>	<b>2,783</b>	<b>2,783</b>	<b>-24.0%</b>
US direct hire salary and benefits	1,665	1,570	1,879	1,943	16.7%
Program Funded Administrative Expenses				2,285	
<b>Country Total Administrative Budget</b>				7,011	
<b>Percent of Bureau OE Total</b>				6.7%	

<b>Mission Summary</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
Program per US Direct Hire (\$000)	4,002	4,371	2,823	2,764
Program per All US (\$000)	2,317	2,531	1,925	1,885
Program per Position (\$000)	445	481	411	403
Operating Expense as % of Program Funding				6.7%
Program Funded Admin Expense as % of Total Admin				32.6%
Total Admin Expense as % of Program Funding				16.9%

#### **Other Major Donors:**

Bilateral: Japan, Spain, Sweden, Canada, Switzerland, Netherlands, and Italy. Honduras also has a signed Compact with the Millennium Challenge Corporation.

Multilateral: The principal multilateral donors/lenders (each of which have diversified portfolios) are the World Bank; the Interamerican Development Bank; the Central American Bank for Economic Integration; the European Union; the United Nations agencies (UNDP, FAO, WFP, UNICEF, WHO, UNFPA, IFAD); the Organization of American States; and the International Monetary Fund.